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## DEPARTMENT OF STATE

THE DIRECTOR OF INTELLIGENCE AND RESEARCH WASHINGTON

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Dear Allen:

While we have made no careful analysis of the subject, it is our strong impression that there has been a marked upsurge in both the quantity and quality of the Agency's covert reporting on Communict China during the last two years. As a result, the Department's policy officers and my own Bureau have found these reports to be of increasing utility. This, therefore, is a note of appreciation for the Agency efforts in this field.

Naturally we hope that even more information on Communist Chips will become available through the Agency's covert collection efforts. As you are well aware, Communist China is now in a phase of development that makes it perhaps even more necessary than in the past to obtain as accurate an appraisal as possible of popular attitudes, party strength or problems, economic developments, military strength, foreign policy outlook and moves, and Sino-Soviet relations. Considerable information can be obtained through overt channels to help fill those intelligence gaps which have been mentioned, for example, in NIE postmortems, but in many instances information which is available only through covert channels will be essential to confident analysis. Our problems will of course be aggravated if the flow of overt information is appreciably reduced by Peiping's apparent move recently further to restrict the distribution of Chinese Communist publications outside the country.

In short, I wanted to let you know how much value the Department attaches to the results of your recent covert collection efforts on Communist China and how much we hope these efforts will continue to be fruitful.

Sincerely yours,

Hush

Hugh S. Cumming, Jr. The Director of Intelligence and Research

The Honorable,

Allen W. Dulles,

The Director of Central Intelligence, Washington.

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